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25 YEAR RE-REVIEW

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MANAGEMENT OF DEVELOPMENT PLANT NO. 1

General Characteristics

1. The Development Plant No. 1 of the Ministry of Aviation was located in the typical factory town of Podbereze. [redacted] 25X1
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[redacted]

All housing and shops in the town were under the control of the plant. The town's population consisted entirely of plant workers and technicians as well as a few officials of the town administration. Other workers lived in Kimry and neighboring towns. All German employees and our families lived in a housing development which was separate from the apartment buildings housing the majority of Soviet technicians and workers employed at Plant No 1. [redacted] German employees had no social life in common with the Soviet employees and families in Podbereze. Similarly, the German wives were unable to establish any social relationships with the Soviet women in the community. It was obvious that the Soviet employees were under strict orders to avoid any contact with the Germans outside the factory walls. [redacted] 25X1

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The Soviets never invited the Germans to partake in any family social relationships. An exception to the rule was the case of two Soviet employees of the town administration who tried to get together socially with the German families. Shortly after this approach, these individuals disappeared without any explanation.

2. Before World War II the plant had served as an aviation production center. This plant - machinery, workers and technicians - was moved during the war to the Urals area. 25X1 Plant No 1 was engaged primarily in developing new military aircraft. The aircraft produced were only experimental models. No planes were produced on a serial basis. 25X1 Machinery dismantled from the Junkers Plant in Dessau and the Siebel Plant in Halle (Soviet Zone of Germany) provided the basis for the establishment of Plant No 1 in 1946-47. German engineers, technicians and skilled workers forcibly transferred from the Junkers, Siebel and Heinkel plants in Germany provided the basic labor cadre. 25X1 estimate that the plant's total labor force amounted to 3,000-3,500. (This figure includes maintenance groups, security police and employees of company stores. Also included are 365 Germans from the Junkers plant and 192 from the Siebel and Heinkel plants.)

3. 25X1

25X1 The design offices and production shops were the two main divisions within the plant. The design offices, employing a total of approximately 800 engineers, technicians and draftsmen, were subdivided into two major groups. The first of these groups, OKB-1, consisted of the Junkers group and Soviet employees. 25X1 The OKB-2 group, which consisted of the Siebel and Heinkel groups and Soviet employees, was engaged on the development of light military aircraft. 25X1 Although both of the groups maintained parallel design offices and functioned independently of one another, they were both subject to the control of a single Soviet administration and used in common the services of the various production workshops. Apart from the top administrative apparatus which remained in the hands of the Soviets, the German engineers and workers initially controlled the operation of all design offices and production shops. However, the control and supervision of these plant divisions were gradually and systematically being shifted to Soviet engineers and workers as they acquired experience. It is important to note that although the Soviets adopted German designs and some production techniques, the administrative operation of the plant was conducted from the beginning along strict Soviet lines. This explicitly included methods of planning and labor control.

Leading Managerial Personnel

4. The plant director was the leading official of Plant No 1. Three Soviet officials occupied this position during my employment there. The first of these was Mikhail Mikhailovich Abramov (Abramow), who was manager from October 1946 to July 1947. Abramov, born about 1892, was about five feet nine inches tall and weighed approximately 170 pounds. He was married and had two children, a son born in 1930 and a daughter born in 1932. He had gray hair and wore a pince nez.

Abramov, a general in the Soviet Air Force, had a penchant for fancy uniforms. The German employees referred to him as the "operetta general". He had no technical training and consequently understood absolutely nothing of technical matters. When the German designers came to him with a problem or to obtain his approval of some decision, he invariably replied, "I don't understand these technical matters. Do what you want". Abramov was also in a constant state of semi-drunkenness; his breath was always "strong enough to knock a bull over". He frequently excused himself during conferences in his office and went into an adjoining room for a "quicky". However, Abramov had had a good liberal education. Although Abramov was undoubtedly a party member, he was not a fanatical Communist and not too strict with his German subordinates. Abramov was transferred to the Ministry of Aviation in Moscow in July 1947. I believe that Abramov was relieved of his duties with the plant, possibly because of his inadequate technical training and failure to meet production dates set by the Ministry of Aviation.

5. Vasil (Vasili ?) Vasilovich Rebenko was the second director of Plant No 1, serving in that position from July 1947 to February 1950. Born sometime between 1898 and 1900, he was five feet four inches tall and weighed about 148 pounds. He had gray hair, combed in artist fashion. He was married and had two children, a son and a daughter. Rebenko had been a pilot during World War II and had received a spinal injury in an air crash. As a result, he dragged his left leg slightly. Rebenko was a party member, a fanatical Communist. He demonstrated this in emotional speeches which he delivered at major Soviet holidays. According to statements of Soviet employees at Plant No 1, Rebenko was transferred to a plant engaged in serial production.

6. The third director of Plant No 1 was Petr Petrovich Smirnov (Smirnow) who served in this position from February 1950 and was still director when I returned to Germany in September 1950. Smirnov, who was born sometime between 1903 and 1905, was about five feet six inches tall and weighed 165 pounds. He had ruddy complexion and blond hair. His wife and children lived in Moscow. Smirnov, too, was a party member. However, he was more moderate in his opinions and because of that, was a better technician. According to statements of Soviet employees of Plant No 1 he had formerly been employed by or had been director of a plant engaged in serial production.

7. Voznetsenski, the chief engineer, was second man in the Soviet administration. He advised the plant director on technical matters. He was the superior of both Junkers and Siebel chief designers, but did not actually direct the design work in either OKB-1 or OKB-2. Voznetsenski was by far the technical superior of all three plant directors. He was the favorite of the German engineers on this account. He was not a party member and presumably was not appointed to the position of plant director because of this reason. It was rumored that Voznetsenski had come from a bourgeois family which had been well-to-do in czarist times. The chief of the administrative staff was the third ranking official in the Soviet administration. Birukov (Birukow), who occupied this position, was responsible for procurement of payrolls, accounting and other plant administrative matters. Brunolf Baade and Hans-Heinz Roessing were the chief designers of the OKB-1 and OKB-2 groups respectively.

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[redacted] This office was responsible for coordinating the work of the design offices and the various shops and laboratories. It assisted the shop personnel by explaining ideas of the designers and helped in the interpretation of drawings.

Planning Procedures

8. Planning procedures at Plant No 1 were complicated by certain differences of opinion between the German designers and the Soviet administrators and by the fact that the plant was engaged in development work and not in serial production. The German designers of OKB-1 drew up the original designs for a new plane and sent the project directly to the Ministry of Aviation for its approval. After this approval had been granted, the ministry dispatched a commission of engineers and air force generals to Plant No 1 to examine the mock-up which had been constructed, and to suggest alterations in the design. At this time the ministry also established the date for the final completion of the plane (Endtermin). This marked the first step in the planning procedure. [redacted] the completion dates established by the ministry for the several planes developed by OKB-1 were never realistic. The German designers always complained that completion dates established by the ministry never allowed enough time for the production of the planes, but were always overruled by the plant director. The completion date was never met. Development and construction of a new model always required at least two or three months more than the time established by the ministry, as prophesied by the German designers. The German designers were in the dark as to the criteria used by the ministry in establishing the planned date of completion. It was jokingly suggested that it was established according to the amount of paper used in drawing up the design. After obtaining approval from the ministry, the designers in OKB-1 drew up more detailed designs which were developed into an overall production plan by the various planning offices. On the design side, planning was carried out by the engineering schedule office (Plannungsbuero). This office was supervised by the planning office (Planung) which also administered the engineering administration (Verwaltung) and materials planning offices (Material Planung). The engineering schedule office was responsible for establishing planned dates of completion for the various offices engaged in design and drafting work. It was also responsible for controlling plan fulfillment by these offices. The production planning office was responsible for planning in the production shops. It established completion dates for the various shops and supervised plan fulfillment.

9. The overall production plan for a given project was drawn up by the engineering schedule office in consultation with the designers and the production planning office. This was submitted through the chief designer to the plant director. The plan invariably set a final completion date several months later than that previously established by the ministry. The plant director, evidently bound by the ministry's instructions, arbitrarily reduced the time of the plan in order to make it conform with the ministry's planned date of completion, although he often had only a slight conception of the technical requirements involved. For example, a month would be cut off the time allotted for design and drafting work and one month

would be cut off the time established for production procedures. The plan was then submitted to the ministry for approval. The engineering and production planning offices were forced to revise downward the schedules established for the individual shops and offices. Control of plan fulfillment in the production shops was a joint function of the production planning office and the plant's party committee. Theoretically, this responsibility was divided, with the production planning office exercising the real control functions. This office issued monthly plans to the various shops and, after evaluating pertinent statistics, published the results of monthly plan fulfillments. The party committee was theoretically limited to propaganda efforts which encouraged the fulfillment of planned assignments. Armed with the statistics of the planning office as to which section or shop had fulfilled or failed to fulfill its plan, the party committee carried out its agitation efforts by singling out shops which served as good or bad examples and by holding production conferences in those units which were lagging. When a shop failed to fulfill its plan, the plan control section generally initiated the counteraction. Accompanied by representatives of the party committee, it carried out an inspection of the shop concerned which involved an examination of technical questions. Once this was accomplished, the party committee took over and in effect exerted continuing control over plan fulfillment through its agitation efforts. 25X1

Control by the Ministry of Aviation

10. Development Plant No 1 was under the direct control of the Ministry of Aviation and not subject to the supervision of any intermediary administrative organ. The manager of Plant No 1 reported directly to General Lukin, the Deputy Minister of Aviation. Chief designer Baade often dealt directly with the ministry officials in Moscow on technical matters, with the knowledge and approval of the plant manager. 25X1

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such controls were largely limited to the planning process as outlined above. That is, the ministry approved the designs and mock-up as developed by the designing offices and established the planned date of completion. It also undoubtedly exercised continual control over the overall progress of each project as it received monthly reports of plan fulfillment. It is possible that the ministry had an important voice in the procurement of supplies. 25X1

procurement procedures were kept secret from 25X1
the German employees. The ministry also played an important role in personnel matters. It was evidently empowered to transfer workers from one aircraft plant to another /see below/ and undoubtedly appointed the leading plant officials. As already mentioned, Plant No 1 never fulfilled its overall plan, in terms of completing a project on time, and seldom fulfilled its monthly working plans. In this connection it is interesting to note that the plant management often reported to the ministry the fulfillment of planned schedules which in reality had not been fulfilled at all.

MGB CONTROL AND SECURITY IN PLANT NO. 1

MGB Security Office

11. The security office (Geheim Abteilung) of Plant No 1 was supervised by (fnu) Yurshin (Jurschin). /The Germans employed at

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Plant No 1 first referred to Soviet security personnel as NKVD and later as MVD. It seems apparent, however, that the above office was under the control of the MGB. This term will therefore be used throughout the remainder of this section./ Four Soviet personnel were employed under Yurshin in this office, evidently as clerks handling classified documents and censoring mail. The primary overt function of the MGB security office was the safekeeping and guarding of all secret drawings, prints and documents when not in use. A second important function was the control of all outgoing and incoming classified mail. Even classified mail addressed to the plant director or the chief designer was first sent to the security office before being turned over to the addressees. This was an indication that not even the plant management had any authority over this office. The security office evidently exercised a counter-intelligence or internal security function within the plant. This task was carried out under close cooperation with MGB offices outside of the plant. For example, two members were arrested for unknown reasons by secret agents from Moscow. another incident indicates the existence of a well-organized network of informers in Plant No 1. For a period of six months, MGB agents from the outside (presumably Moscow) attempted to persuade a German technician, (fnu) to operate as an informer among the German employees in the plant. was evidently singled out because of his excellent knowledge of Russian. He refused these repeated requests despite the considerable pressure to which he was submitted. Despite warnings to the contrary,

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The Plant Police

12. Supervision of the plant police (okhrana otdel) was evidently a fourth function of the MGB security detachment, although this control was never publicly acknowledged. (whenever German technicians wanted to take technical books or periodicals from the plant compound, the plant guards were required to obtain written authorization from Yurshin before permitting them to do so.) The plant police, which consisted of about 10 officers and 45-50 enlisted men, was charged with the duties of maintaining the physical security of the plant, guarding and patrolling the plant compound, checking plant passes, etc. Commander of the detachment was a Captain Alekseev. Included among the enlisted personnel was a considerable number of women. The women guards, like other female employees of the plant, were required to work through their eighth month of pregnancy.

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13. Prior to the fall of 1947, the officers and enlisted men were clad in the normal khaki-colored Soviet Army uniform. Non-commissioned officers and privates wore dark red shoulder boards with gold-stripe rank insignia. Officers had gold shoulder boards with gold stars as rank insignia. All personnel wore the same head dress; gray-blue visor caps with a light blue band. In the fall of 1947 the plant police would receive new uniforms. The conversion to the new uniform was practically complete in 1950. Enlisted men were clad in gray-blue shirts and trousers. The head dress and shoulder boards remained the same. Officers were clad in jackets and trousers in the same gray-blue color. The jackets were trimmed with brass buttons. Officers' head dress and shoulder boards

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remained the same. [redacted] no direct administrative connection between the plant police and the militia stationed in Podbereze. The militia were dressed in the usual uniform of dark blue trousers, jackets and visor caps. They wore dark-blue shoulder boards with white-stripe rank insignia. [redacted] not aware of any control functions that were exercised by the MGB security office within the party appartus or the plant management other than the control of classified material directed to the latter group and the possible control of informers.

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THE TRADE UNION IN PLANT NO 1

Composition of the Zavkom

14. [redacted]

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[redacted] Some of the Soviet workers [redacted] did not join the trade union because they could see no profit in doing so. The zavkom itself was composed of from six-eight members, each representing a major division in the plant. [redacted] the committee members, all of whom were Communists, were elected by the workers in each of the divisions.

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Functions of the Zavkom

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15. One of the main tasks carried out exclusively by the zavkom was its functioning as a grievance committee. Closely allied with this function were its supposed efforts to improve working conditions in the plant. The holding of night classes on technical subjects /see below/ and the granting of special vacations for workers was also the exclusive function of the zavkom. In addition, the zavkom joined the party committee in publishing a wall newspaper and in efforts designed to improve the quality and increase the tempo of production. And finally, the zavkom joined the plant management and party committee in issuing plant orders (prikazy). Although not an operational function, the only benefit which workers received from trade union membership [redacted] was the granting of increased sickness compensation. All workers received a basic compensation of 50% of their salary during periods when they were unable to work because of sickness. However, workers with one year of membership in the trade union received 60% of their salary; two years - 70%; three years - 80%; four years - 90%; and five years or more - 100%.

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16. The zavkom office was open for one hour a day to handle workers' complaints concerning personnel matters, working conditions and the like. I observed that workers who lodged complaints had little success to show for their efforts. Complaints concerning personnel matters were generally turned around in such a manner as to place the burden of action on the complainer. Above all, there was no progress made in improving working conditions. The plant's primitive sanitary and recreation facilities remained exactly the same during my four years of employment at Plant No 1. The zavkom supposedly represented a worker who was brought before the

plant's labor court for infraction of plant regulations. The court, consisting of a judge (a plant employee) and two assessors (one representative each from the plant management and zavkom), considered such matters as tardiness and absenteeism. The zavkom's representation of accused workers was evidently very ineffective as I never heard of a worker winning a court case. At best, the zavkom's representative obtained an alleviated sentence for the accused. The zavkom also granted special four-week vacations to certain workers in leave resorts maintained by the trade union. only seven workers from among the 150 Soviet employees in the OKB-1 designing office who received such a special vacation. All of these seven were party members. One of them did absolutely no work at all. 25X1 25X1

Relations with Management and Party Committee

17. no information as to whether the party committee intervened in matters predominately the province of the zavkom, i e, whether the party committee went over the head of the zavkom in handling the grievances of party members. 25X1 25X1 25X1

The party committee worked hand in hand with the zavkom in carrying out efforts to improve the quality and tempo of production. Competitions to increase norms, to fulfill and overfulfill plans and to reduce the quantity of scrap metal were the major means of this joint endeavor. These competitions were launched under the auspices of the zavkom but were carried out jointly by the two organs. It is difficult to say which of the two played the leading role in these endeavors. The party committee also joined the zavkom in holding regularly scheduled monthly production conferences in each section of the plant. These conferences sought to uncover and to solve shortcomings in the plant's operations by means of self-criticism. The Germans were excluded from these meetings after one attempt to include us misfired. 25X1

The wall newspaper published by the party committee and the zavkom was in a sense a control instrument. Articles were published in the newspaper which not only criticized production shortcomings in the plant, but also delved into the private lives of individual workers. The latter activity applied particularly to party members who, for example, were reprimanded in this newspaper for drinking too much or for carrying on an affair with a married woman. The plant orders, which were issued over the signature of the plant management, party committee and zavkom, announced all personnel changes, penalties given for disciplinary infractions, plan fulfillments, competitions and the like. 25X1 25X1

the zavkom had little influence in changing or bringing about a decision by the plant management. However, the leaders of the zavkom, just as the party committee, had access at all times to the plant director's office. 25X1

THE PARTY COMMITTEE IN PLANT NO 1

Composition

18. The party committee at Development Plant No 1 was composed of from 14-20 members. Most of the members were salaried employees such as office workers, technicians and engineers.

The only member [redacted] who was not a salaried employee was a skilled laborer representing athletic organizations in the committee. The plant director was presumably also a member of the committee as he was always present at committee meetings. The leader of the Komsomol aktiv was also a member of the committee. Three persons occupied the position of first secretary of the party committee during the years 1946-1950. The first of these was the commander of the plant police while the second was the head of the dispatcher's office. The third of these functionaries, a man by the name of Amalchenko (Amaltschenko), was the Soviet chief of the assembly shop. 25X1

Functions

19. The party committee was formally charged with three broad tasks: the political tutelage of the plant workers and employees; the supervision of the fulfillment of production plans in conjuction with the production planning office; and, together with the zavkom, the institution of various measures designed to improve the tempo and quality of production. /The latter two functions have been discussed in previous sections. Certain other less formal economic functions are treated below in the section dealing with relations between party committee and plant management./

20. The conducting of courses on various aspects of communist ideology was one of the main aspects of the political leadership function exercised by the committee. Attendance at these courses was compulsory for all party members and Komsomols. The committee also held political meetings three times a week for the benefit of all plant workers and employees. The meetings were held after working hours in the plant's club. Attendance was technically voluntary, although [redacted] 25X1
[redacted] workers were put under considerable pressure to 25X1
attend the meetings. Whatever the reasons may have been, the club's 480 seats were generally filled when these assemblies took place. The meetings covered a wide range of internal and foreign political questions. The one subject stressed above all was the theme that the USSR was in danger of attack by capitalistic America and that the workers must strive harder, fulfill production plans, increase norms. Only in this way could they strengthen the socialist motherland to such an extent that it would discourage an attack by the capitalist world or insure victory, in the event that America preferred to launch its aggression. [redacted] the main pur- 25X1
pose of these meetings was to foster fear of America in order to increase production. [redacted] this particular theme 25X1
won acceptance by the Soviet workers and achieved its desired effect. The plant's loudspeaker system was also used for propaganda purposes, but usually only on special occasions. Major speeches by Soviet leaders were broadcast over the system. In general, however, the loudspeakers did not provide the usual din of radio broadcasts which was to be heard in most public gathering places.

21. The committee was also charged with the responsibility of planning and conducting celebrations in conjunction with major Soviet holidays such as May Day and the anniversary of the October Revolution. Another task assigned to the party committee was the leadership of the yearly state loan drive. Every worker was required to contribute at least one month's salary. The contributions were generally not made in lump-sum payments but were deducted from wages and salaries over the course of a

year. The representative of the party committee in each shop called on workers individually for their contributions. If a worker failed to volunteer the equivalent of his monthly wages the first time, he was called back until he did so. An example in this connection is the case of a charwoman who had been forced to contribute to the state loan. [redacted] she was alone, weeping bitterly over the fact that she had to make a contribution. The charwoman, a war widow who received a monthly pension of Rubles 80, explained [redacted] that because of this contribution, she hardly knew how she could make ends meet. This incident led [redacted] to believe that many Soviet workers were opposed to the loans.

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Relations with Plant Management

22. [redacted] working relations and cooperation between the party committee and plant management were generally very good. Undoubtedly this was primarily due to the fact that all plant directors and other leading plant officials, with the exception of Voznetsenski, were party members. [redacted] it is possible that differences did exist between party committee and plant manager which were ironed out behind closed doors. Monthly meetings which were attended by the top Communist plant officials, the party committee and the zavkom were evidently the principal formalized means of coordinating the actions or decisions of the three groups. Voznetsenski did not attend these meetings, although he was the leading Soviet engineer in the plant. In this connection [redacted] only a party member could become plant director. This was the answer Soviet employees gave me when I expressed the hope that Vozentsenski would be appointed director.

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23. Apart from the role it played in plant control procedures, [redacted] only one case in which the party committee intervened in plant production matters. In the beginning of 1949, plant director Rebenko wanted to introduce the serial production of aircraft. He was backed by the German engineers in this respect. The party committee believed that the plant should confine itself to development work. The committee intervened and the idea was dropped. Party considerations, however, played an important role in plant personnel policies and this indirectly influenced production efficiency. I am not certain whether the plant management, the party committee or another party organ was responsible for these personnel decisions. To begin with, party members occupied most of the leading positions in the plant. Many of these technicians were well qualified for the positions, relative to Soviet standards. There were, however, many flagrant examples of party members being placed in positions for which they were not qualified, presumably because they were in good standing with the party apparatus. For example, all plant managers were party members, despite the fact that Vosnetsenski, a non-party man, was the most qualified person in the plant for the position. Another example was the case of Papiashvili (Papiaschwilli), chief of the machine shop. Papiashvili, an active party member, was assigned to this position despite the fact that he was utterly unqualified for the job. The German technicians tried to have him removed because of his lack of qualifications, but were unsuccessful in this attempt, despite the fact that they submitted documentary proof of his incompetence and were supported in this endeavor by chief designers Baade and Roessing.

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Papiashvili evidently could not be removed because he was a party activist. The same situation was true of the Soviet chief of the sheet metal shop. As a further example, a party member was appointed assistant chief of the static test laboratory (the chief was a German) despite the fact that there were five or six other Soviet technicians in the laboratory who were better qualified for the position. 25X1

24. [redacted] case of direct intervention by the party committee into personnel matters. The intervention itself was not detrimental to the operation of the plant. A machinist, a party member employed in a testing laboratory, applied for a position in a design office. However, the Soviet foremen of the laboratory, also a party member, refused to release him. The applicant, who was considered qualified for the position, thereupon appealed to the party committee. Through the intervention of the committee, the machinist obtained the position and the foreman was reprimanded by the committee for attempting to hold back the development of a capable worker. 25X1

Relations with Raion Committee

25. [redacted] 25X1

the party committee, [redacted] received its orders from the Kimry Raion Committee. [redacted] Amalchenko, first secretary of the plant party committee. Amalchenko often visited the Raion Committee in Kimry and always returned from these trips with new ideas for the operations of the plant's party committee. Representatives of the Kimry Raion Committee also conferred often in Podbereze with the plant party committee. I do not know of any relations between the party committee and the other party organs besides the raion committee.

LABOR IN PLANT NO 1

Wages and Salaries

26. Both German and Soviet employees of Plant No 1 were paid according to the Soviet classification system. Among the Soviet workers, manual laborers, janitors and all others occupying unclassified positions (Hilfsarbeiter) received from Rubles 250-300 per month. Skilled workers and other wage earners were classified in positions ranging from naryad one (the lowest) to seven (the highest). [redacted] 25X1
[redacted] that manual laborers were classified in naryad one and 25X1
skilled workers in naryady two to seven [redacted] Those employed 25X1
in naryady one through five, including such skilled workers as machinists, mechanics and draftsmen, earned from Rubles 350-500. Foremen, who were classified in naryady six and seven, received from Rubles 500-700. The wages listed here, however, are basic wages. Stakhanovite workers in the plant (there were few of them) were able to earn as much as Rubles 1100 per month. Soviet salaried employees were classified according to types of work performed, such as designer class one, two and three. Soviet designers received accordingly a salary of from Rubles 1200-1800 per month. A shop engineer (Betriebsingeniuer) received Rubles 1800 per month while the plant director received Rubles 3500 per month.

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27. German workers and employees generally received about twice as much as their Soviet counterparts. Thus, German foremen in naryady six and seven received from Rubles 1100-1800 per month. A shop engineer received Rubles 2500 per month while the production director, supervising all production shops in the plant, was paid Rubles 5000 per month. The director of a main section received Rubles 4500 per month, assistant chief designers Rubles 6000, and chief designers Rubles 7500 per month. In general Soviet female workers and employees in Plant No 1 received considerably less pay than male workers performing the same jobs. [redacted] a few cases where a female employee earned as much or more than her male counterpart, but these cases were "mere window-dressing". [redacted] plant police. This woman remarked that she received but Rubles 420 per month, while a male guard, doing exactly the same work earned Rubles 580. She complained bitterly about this situation and ironically pointed out a poster hung at her guard post which proclaimed the glories of the Soviet system granting equal pay for equal work. Annual leave granted to Soviet employees was computed according to salary. Manual laborers received 8 days of leave per year, naryady one to five received 12 days, naryady six to seven received 15 days, designers had 18 days and section chiefs 24 days.

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Labor Procurement

28. Apparently most, if not all, of the Soviet workers and employees at Plant No 1 were assigned to that plant by order of the Ministry of Aviation and had not sought out this work themselves. [redacted] a large percentage of the workers and employees had worked at Podbereze before the war when it had functioned as a seaplane factory. They had been evacuated during the war with the plant to the Urals and had been returned as a group to Podbereze in 1946 under orders of the aviation ministry. Other designers, engineers and skilled workers who reported to Podbereze in 1946-47 arrived with orders signed by the Ministry of Aviation. There was very little labor turnover at Plant No 1, apparently because no one could leave except under orders of the aviation ministry. [redacted] several times [redacted] mechanics expressing the desire to obtain employment at a nearby munitions plant where better wages were available. However, none of these workers made this transfer - an indication that such matters were decided by official decree and not by personal desire [redacted]

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Training

29. Most of the apprentices employed at Plant No 1 were sons and daughters of plant workers. The apprenticeship began at the age of 14 and lasted for one year. These youths were employed on a normal basis by the plant after completion of apprenticeship. Apprentices received a flat salary of Rubles 120 per month in the design offices and Rubles 140 per month in the production shops. For this, they were required to work the normal number of hours and to attend compulsory vocational training courses three nights a week. In addition, they were included in the plant Komsomol which was responsible

for their political education. The one-year compulsory training courses, which [redacted] were conducted by plant engineers under the supervision of the zavkom, were by no means intensive enough to train the apprentices adequately. They merely equipped the individual to carry out his given work on an elementary level. Further training depended on individual initiative. This could be acquired by on-the-job training as well as by voluntary attendance at vocational evening courses conducted by the zavkom for all plant workers. Although attendance at these evening courses was voluntary, the Komsomol encouraged all youths to continue their formal training after the one-year apprenticeship. Furthermore, the Komsomol exerted pressure on individuals volunteering for additional training by publicly rebuking those who failed to attend regularly. On-the-job training beyond the apprentice level was carried out on an informal basis. Young workers and employees were expected to keep their eyes and ears open and follow the example of their more experienced colleagues. 25X1

30. Vocational training in the USSR compared very favorably with that in Germany. An 18-year-old Soviet draftsman, who had completed one year of apprenticeship and three years of voluntary vocational training, would not be independent in his work and would have to work under the supervision of a more experienced specialist. However, an 18-year-old German draftsman who had completed his apprenticeship and three years at a trade school would be qualified to carry out independent drafting work. This would also hold true for vocational training for mechanics, machinists and the like.

Methods of Labor Discipline

31. Formal disciplinary controls concerning such questions as working hours, sick leave and security regulations were drawn up in the plant regulations. Plant orders, which were issued at the rate of more than 1000 per year, also served as a means of enforcing discipline by announcing all penalties imposed on disciplinary infractions, changes in working hours, special working hours (on Sundays), as well as all personnel changes. Employees of the designing offices worked six days a week, eight hours a day from 0730-1300 hours and 1400-1630 hours. The plant's production shops operated on three eight-hour shifts (six, two and ten), six days a week. These working hours, however, were seldom adhered to. The plant management decreed extra work on about three-fourths of all Sundays. Some design offices and at least one shift of the production shop labor force were required to carry out this work. The plant applied stringent penalties to cope with tardiness and absenteeism. Workers who were late without excuse (from five to ten minutes) were fined 20% of their pay from one to five months and were required to demonstrate increased production efforts during the same period. Workers tardy more than 10 minutes were sentenced to corrective labor for periods of up to two years. Despite these harsh controls, tardiness and absenteeism were frequent and constituted the bulk of cases handled by the labor court. Despite their harshness, [redacted] these penalties were necessary to enforce discipline under the conditions prevailing at Plant No 1. 25X1

32. The main method of labor control was the planned schedules drawn up for all phases of design and production. [redacted] 25X1
[redacted] production plans controlling quantity of output and establishing time schedules was senseless for develop- 25X1

mental work such as Plant No 1 was engaged in. A high degree of precision and freedom for experimentation is required for such work. Nevertheless, the Soviets stuck to their plans, even though they were seldom fulfilled. It was impossible to forecast how much time would be required for a particular stage in development of a new model aircraft. Some problems were easily solved while others hit upon unforeseen snags. As a result, either too much or too little time was frequently allotted for given tasks. The establishment of planned schedules forced designers to work under considerable pressure, resulting in unnecessary breakdowns and failures. Designs were often sent out from offices without adquate checking simply to meet production schedules. This multiplied difficulties later on. Engineers and skilled workers employed in the production shops were faced with the same problem. however, quantitative and time production plans may very well be successful in Soviet plants engaged in serial production.

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33. Another method of labor control, designed to reduce waste and improve quality of production, was the imposition of penalties for faulty production and breakages. Initially, designers were required to pay the cost of materials used in parts which proved to be faulty. The Soviets dropped this system after the German designers pointed out that failures had to be expected in development work. Thereafter, charges were divided for the repayment of materials which were lost through waste or faulty production (but not design). The worker who made the part was required to pay 50% of the cost of such wasted materials, the foreman 25% and the lead worker 25%. This system not only never achieved its purpose of improving the quality of production but actually was damaging to development production. A worker covering up a mistake would create a worse one in seeking to avoid payment for the defective product; two examples of this which reoccurred in countless similar cases. One worker in the machine shop made an error in boring a steel cylinder. He filled in the discrepancy with lead and the part passed the control point. Later on, this part broke down under tests, causing considerable delay and far greater damage than its original cost. In another case, a worker was required to tool a bolt out of expensive, high-grade steel. After he had made a mistake in tooling this bolt, he threw the material away and made another bolt of the required dimensions out of cheap steel in order to avoid paying for the wasted material. This bolt passed inspection, broke down under tests, and again caused damages far in excess of the original costs involved.

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34. Competitions to fulfill production plans, increase norms and improve the quality of production were a more positive aspect of labor control. any enthusiasm on the part of workers for these competitions; the contrary was perhaps true. the competitions never brought about any increased activity, increased production, better quality of work or less scrap material. In at least one case, negative results were obtained. A competition was launched to reduce defective products by 25% in one month. However, by the end of that month, defects had increased by 17%. labor competitions, like planned production schedules, are unsuited for a development plant. It is possible that they would be successful in a plant engaged in serial production. The example of

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Stakhanovite workers was used to encourage better and more rapid production from the general labor force. Once a worker was proclaimed a Stakhanovite, he generally was favored in that he was assigned to piece work where he could more easily increase norms and overfulfill production quotas.

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Stakhanovites were not well received by the average worker. The workers regarded them as "scabs" in the sense that they were tools of management used in increasing the labor tempo. The average worker seemed to have no desire to increase production.

Working Conditions

35. working conditions at Plant No 1 were very primitive. These conditions improved in no way during the years 1946-1950, except in one case when the German employees intervened on behalf of the Soviet workers. There were quite a few Soviet workers living outside of Podbereze--in Kimry and other neighboring towns. As there was no public transportation between Kimry and Podbereze, these workers were transported to and from work in open trucks belonging to the plant. The German employees pointed out the detrimental effects this had on the health of the workers, who rode in the trucks in all kinds of adverse weather. After the plant failed to take action to correct the situation, the German employees took matters in their own hands and built (out of scrap duraluminum) several covers which could easily be installed on and removed from the truck bodies. There was no day room in the plant, no place where workers could wash up and change their clothes. Out-of-town workers ate in the plant canteen which was located outside the plant compound. There they received a simple meal consisting of soup, 300-500 grams of watery bread, and occasionally porridge. The plant had a workers' club consisting of one very small reading room and one large assembly hall. As this club was the only cultural outlet in Podbereze, it was used for all types of public meetings such as political discussions, official celebrations, and motion pictures shown by an itinerant film office. never any complaints from Soviet workers concerning working conditions. they were in no way dissatisfied with these conditions as they appeared perfectly normal to them. They were accustomed to such conditions.

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Paramilitary Training

36. Paramilitary training was instituted at Plant No 1 in the fall of 1949. This training, which included physical training, extended order drill, marksmanship and parachuting, was obligatory for all workers and employees who had not formerly served in the armed forces. The plant's courier planes were used in carrying out the parachute exercises. All those engaged in this training put in about two hours every week after working hours. The training was carried out under the supervision of officers of the plant police.

Class Differences

37. several incidents indicate a fixing of class distinctions in the USSR. Apart from the wide spread of wages and salaries, and its corresponding effects on the standard of living of workers and technicians, the most glaring example of class distinction was in the matter of

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housing. The leading managerial personnel (about 300) were assigned two-room apartments with private kitchen and bath. Other salaried employees (about 450) were assigned one room per family. Kitchen and bathing facilities were shared with two or three other families. All of these apartments were located in brick apartment houses which had running water, electricity and toilet facilities. All other Soviet workers and their families lived in one or two-story wooden frame buildings and temporary barracks. These buildings were equipped with electricity but no running water or indoor toilet facilities. Water was available from outdoor pumps and wells. Each family was assigned one room and shared kitchen facilities with several other families. As many as eight people lived in one room. Undoubtedly some workers could pay for a room in a brick apartment building, but 25X1 never heard of a worker's family living there. 25X1 workers and employees were deliberately 25X1 assigned different types of housing by the plant administration, the workers being compelled to live under decidedly more primitive conditions. A monthly rent of Rubles 4 per square meter was charged for all living quarters. 25X1 a higher rent was charged for living space in 25X1 excess of five square meters per person, but this is conjectural as no one enjoyed such a luxury. Additional fees were charged for all utilities. Electricity rates were particularly high. For example, a monthly rate of Rubles 40 was charged for each hot plate because of the large amount of electricity consumed. A Ruble 300 fine was imposed on individuals failing to report the use of hot plates. Daily inspections by the town militia were necessary to enforce this regulation. German families were housed in brick dwellings apart from the Soviet housing projects. The 30 leading German managerial personnel were 25X1 assigned our own dwellings. 25X1 All other German families were allotted one room each in three-room apartments.

38. Soviet social life also indicated fixed class distinctions. 25X1 The Soviet managerial personnel generally stuck together in social relations and did not mix with the mass of workers. an incident occurred 25X1 at the plant's May Day celebration in 1950. The celebration for party leaders, engineers and other managerial personnel was held in the plant canteen while the workers met in the plant club. No workers were allowed in the canteen without written permission. If a drunken worker strayed in there by mistake, he was thrown out. 25X1

such a situation seemed strange in a country with a proletarian government.

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GENERAL FACTORS AFFECTING INDUSTRIAL EFFICIENCY

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Technical Factors

39. those factors which 25X1
contribute most to the industrial efficiency and 25X1
inefficiency of the Soviet Union, especially as reflected in 25X1
development plants such as Plant No 1 In regard to the negative aspect of the question, a very important point is the fact that the Soviets do not understand planning, do not know how to plan despite their continual talk about planning and their elaborate planning machinery. This was demonstrated not only in the malfunctioning of production but also in the unsatisfactory distribution of consumer goods. Another adverse factor is the arbitrary application of normal planning procedures to development work. Creative work cannot be planned. A designer is seriously hindered if his work must conform to a time schedule. The breakdown in planning is largely caused by unqualified persons, especially party appointees, occupying leading positions.

40. The interference of party politics in the industrial machinery is in itself an important cause of industrial inefficiency in the Soviet Union. Party members who lack the necessary technical qualifications are far too often appointed to technical positions solely on the basis of their party membership. This was true on all levels of operation at Plant No 1, from plant manager to shop foreman. The system requiring self-payment for defective production was another important cause of inefficiency in Plant No 1. Not only did this system fail to achieve its goal, but, as noted, it was an important cause of defective production. 25X1
the fear of stringent disciplinary measures against 25X1
faulty production also tended to sap Soviet engineers and workers of initiative in their work efforts. A designer might prefer to stick to tried and approved models rather than attempting to develop something new. Experimental endeavors can easily fail and the designer be branded as a saboteur.

41. factors which con- 25X1
tribute to Soviet industrial efficiency. Chief among these is the fact that the Soviets are master copiers; the best in the world. Soviet engineers and technicians are very accurate and painstaking in copying the industrial models of other nations and thus have been able to adapt for their own use the industrial know-how of western industrial nations. Centralized control of manpower is another important factor contributing to Soviet industrial efficiency. This control gives Soviet administrators considerable mobility in shifting the labor force to areas of the economy where it is most needed.

42. the average Soviet worker would be well qualified 25X1
for industrial processes involved in mass production. Soviet workers, with their passivity and ability to master simple technical processes, would undoubtedly work well at specialized work involving repetition of the same process, but not where many skills are required. 25X1
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Attitudes

43. It appeared [redacted] that workers' attitudes contributed both to the strength and weakness of the Soviet economy. [redacted] Soviet workers were extremely cautious in expressing their opinions freely to either Germans or their fellow countrymen. Workers' morale was generally low, a negative factor in industrial efficiency. The average worker seemed to disapprove of the Stakhanovite movement, made a disinterested effort to increase production and was not moved by the various competitions designed to increase the quantity and improve the quality of production. The average worker seemed "propaganda tired". For example, few people would stay to the end at a May Day or October Revolution rally. As such meetings dragged on, most people got tired of listening to endless speeches and drifted away to the nearest beer hall. The average worker regarded such holidays as an excuse to get drunk. Their ideological significance seemed of little importance. On the other hand, the only overt indication of dissatisfaction with the regime came from the older people who frequently confided to me that "times were better before 1917". When they were certain [redacted] with whom they were talking and knew they were not being observed, older workers would frequently spit on the name of Stalin in expressing their discontent. But the great mass of workers, including the young workers, seemed passively resigned to the prevailing standard of living and working conditions. Things had been that way before and would be so tomorrow. [redacted] the absence of any standard of comparison precluded any active discontent in these matters.

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44. The one facet of communist propaganda which seemed to find a positive, enthusiastic response from Soviet workers was the question of peace and war. The great majority of the Soviet workers apparently accepted the official propaganda line in thinking that the United States, as capitalism's last bulwark, was preparing an attack on the USSR. [redacted] never [redacted] any doubts expressed by the Soviets on this matter. Although the Korean war did not receive too much attention from the Soviet workers in Podbereze, they all believed that the United States started the war. A parallel was frequently drawn between American action in Korea and German intervention in the Spanish Civil War, the conclusion being that Korea marked the beginning of a new world war. This "American threat" was used by the Communists in encouraging greater production efforts. They apparently were successful in this endeavor. Similarly, I think that no Soviet worker doubted that the USSR was the bulwark of world peace. However, the workers reacted passively to the Stockholm peace appeal. They apparently signed the appeal without any apparent thought or enthusiasm.

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CORRUPTION IN PODBEREZE

45. Bribery and thievery were commonplace in Plant No 1 and in Podbereze, presumably because of the low wages and shortages of consumer goods. It was, for example, impossible to have any repairs made in an apartment by simply submitting a request to the utilities section. A Rubles 20 "tip" was always necessary to get action. Nor was the deputy chairman of the Podbereze Village Soviet above such temptation. [redacted] The absence of any public transportation

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between Podbereze and the outside world was also the basis for a minor racket. German housewives who wanted to shop in Kimry could get a ride in a company truck by paying drivers Rubles 10. A ride to Dmitrov, 60 kilometers away, cost Rubles 20. The drivers divided the proceeds with the chief dispatcher and the garage attendants. [redacted] able to obtain fire wood in this fashion. Fifty rubles was enough to purchase wood from a near- by forester. [redacted] obtained a company truck for transporting the wood by bribing the driver with Rubles 300.

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46. Thievery was extremely common in Plant No 1 and in private homes. Despite stringent controls by the plant guards, the Soviet workers succeeded in walking off with an enormous amount of tools and equipment. German workers were forced to construct locked cabinets for their own tools in order to prevent them from being stolen. Much of this stolen property ended up in the beggars' market in Kimry. An enormous variety of goods was on sale there. On one occasion, [redacted] a man [redacted] stood all day on a street corner trying to sell a handful of rusty nails. In regard to large-scale thievery, [redacted] a case in which several thieves were caught attemping to steal 2.5 kilometers of aircraft cable. They were sentenced to two and one-half years in a corrective labor camp. [redacted] strongly suspect the plant director of having profited personally from the illegal sale of machinery and scrap duraluminum. The director lived far above his income of Rubles 3500 per month. Only 50% of the machinery dismantled and shipped from the Junkers and Siebel Plants was installed in Plant No 1, although it all arrived there in good condition. Much of the missing machinery was lost when unloaded in Podbereze and the rest disappeared from the storage lot where it was kept. [redacted] trucks being loaded with machinery and scrap aluminum in this storage lot at night. This seemingly illegal practice could probably only have been carried out with the knowledge and permission of the plant director.

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[redacted] COMMENT

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Perhaps the most revealing aspect of this report is the damaging effect on productive efficiency attributed [redacted] to certain production and labor control methods. The adoption of production plans and payment for defective products under conditions prevailing in a development plant implies a damaging bureaucratic rigidity on the part of Soviet economic officials. Equally worthy of notice is the ineffectiveness of labor competitions and their lack of support from the workers.

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[redacted] comments on the role played by the party in personnel selection indicate that, at least in Plant No 1, the Soviets are still far from reconciling the conflict between technical proficiency and party loyalty which is inherent in personnel problems. The strict control exercised by the Ministry of Aviation over its labor cadres is indicative of a shortage of skilled labor in that industry. It is possible, however, that security considerations are a factor in this matter.

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[redacted] the plant security office controlled the activities of the plant police and the network of informers. It is possible that the informer network was under the control of a higher MGB office. Certainly,

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the evidence presented [redacted] 25X1
[redacted] is by no means conclusive. In connection with 25X1
the change in uniforms effected by the plant police in the
fall of 1947, it appears possible that this action might have
coincided with the transfer of control from MVD to the MGB [redacted] 25X1

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